Fiscal Estimate - 2013 Session

\boxtimes	Original		Updated		Corrected		Suppl	emental
LRB	Number	13-3896/		Introd	luction N	lumber	AB-06	10
Descr Chang	iption jing the timing	g of eligibility cl	nanges and other	changes t	o BadgerC	are Plus		
Fiscal	Effect							
	No State Fisc Indeterminate Increase E Appropria Decrease Appropria	e Existing tions Existing	Revenue Decreas Revenue	e Existing		Increase Co to absorb w Ye Decrease C	vithin agenc es	
Local	No Local Go Indeterminat 1. Increas Permiss 2. Decrea	e Costs	3. Increase nory Permiss 4. Decreas	ive ∏M ar e Revenu	(ndatory e	Types of Lor Governmen Towns Countie School Districts	t Units Affeo Villag s Other	je □Cities rs S
	Sources Aff					ted Ch. 20 /	Appropriat	ions
⊠ G	PR FED	PRO PRO	PRS SE	G U SE	EGS s. 20.4	435(4)(a)		
Agen	cy/Prepared	Ву	Au	thorized	Signature			Date
DHS/ Carrie Schneck (608) 266-5362 Andy				dy Forsait	y Forsaith (608) 266-7684			

Fiscal Estimate Narratives DHS 1/7/2014

LRB Number 13-3896/1	Introduction Number	AB-0610	Estimate Type	Original						
Description Changing the timing of eligibility changes and other changes to BadgerCare Plus										

Assumptions Used in Arriving at Fiscal Estimate

Under current law as amended by 2013 Act 116, Medicaid eligibility for parents and caretakers will change from 200% of the Federal Poverty Level (FPL) to 100% of the FPL on April 1, 2014. Parents and caretakers above 100% of the FPL will transition to coverage in the federal health insurance Marketplace. On the same date, the Department will begin to use the new income calculation rules required by federal law, termed the Modified Adjusted Gross Income (MAGI) methodology, when determining an individual's Medicaid eligibility.

The Department has completed final negotiations with the federal Centers for Medicare and Medicaid Services (CMS) regarding the necessary federal approvals to implement the current law provisions. Federal CMS approval is tied to modification of planned eligibility changes including: 1) applying the MAGI methodology for eligibility determinations for all new BadgerCare Plus applicants beginning February 1, 2014; and 2) establishing an income limit of 100% FPL for all new parent and caretaker applicants beginning February 1, 2014. Individuals found eligible for BadgerCare Plus on February 1, 2014, or later will be enrolled in the Standard benefit plan.

This bill would modify current law to align Wisconsin statutes with the agreement between the State of Wisconsin and CMS. If this bill is not passed, state law would require the Department to provide coverage to all parents and caretakers who submit an application between February 1 and March 31, have income between 100% and 200% of the FPL under the current income calculation methodology, and meet other eligibility requirements. This option is not in compliance with the agreement between the federal CMS and Wisconsin, and therefore federal matching funds could not be claimed for this population. This would result in the state paying 100% GPR for Medicaid benefits for this group. The estimated cost for 2 months of benefits is \$722,300 GPR. This estimate assumes approximately 1,222 adults apply for benefits each month and incur an average benefits expense of \$197 per member per month.

If this bill is passed, the estimated savings to the state compared to current law is \$722,300 GPR.

Additionally, if this bill is not passed, state law will not permit the use of MAGI to determine eligibility for BadgerCare Plus applicants until April 1, 2014. If this were to occur, the state's Medicaid plan would be out of federal compliance, and the federal CMS could deny the state's claims for federal funding for Medicaid services and administration for the BadgerCare Plus population. The amount of GPR needed to replace federal funding cannot be estimated because the exact scope of CMS' denial is unknown; CMS has discretion over which federal claims they could deny or accept.

In order to implement the eligibility and income methodology changes in this bill, the Department must make changes to the Client Assistance for Re-employment and Economic Support (CARES) eligibility system. These changes can be absorbed within the current budget.

Long-Range Fiscal Implications